



**first community**  
credit union

Investment Services offered through CFS\*

# Wealth News

## consumer sense

Information from First Community and CFS\* to help keep your financial life in balance | February 2018

### *Interested in Learning More?*

I specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call to set up an appointment to review your investment objectives, and to discuss any questions you might have. I look forward to speaking with you!

### *Meet our CFS Representative*



#### **John Nicolaus**

Investment Advisor  
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First Community Credit Union.  
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Do you have a topic you'd like to see covered in future Wealth News newsletters?

Email your questions and comments to me at:  
[john.nicolaus@firstccu.org](mailto:john.nicolaus@firstccu.org)

## Have You Read...

*Save Wisely, Spend Happily: Real Stories About Money & How to Thrive from Trusted Advisors*, by Sharon Lechter

#### Source:

<https://www.irs.gov/newsroom/resources-for-tax-law-changes>

<https://taxfoundation.org/conference-report-tax-cuts-and-jobs-act/>

#### **Tax-Saving Tips**

As tax filing season begins for 2017 we are reminded how we could have effectively lowered our taxable income. Start your 2018 tax planning with some helpful tips.

#### **Donate to your Favorite Charity**

Along with helping others, charitable donations are a great way to lower your taxable income. Take the time to sort through old clothes, and other belongings that you no longer use or need. Clean out your food pantries and find some local food drives. Make sure you keep your receipts; they will be needed for tax purposes.

#### **Health Savings Accounts**

Individuals under age 65 and covered by a high deductible health plan may establish an HSA (Health Savings Account) which allows participants to save money for the payment of health care expenses on a tax-preferred basis. HSA distributions are generally tax-free if they are used to pay for qualified medical expenses. Distributions made for any other purposes may be taxable. Please contact your health care provider for more information about high-deductible health plans and HSA accounts.

#### **Annual Gift Tax Exclusion**

Consider gifting to reduce some tax burdens. In 2017 you could have gifted up to \$14,000 to each person, and to as many individuals as you want, without triggering the gift tax. That gift amount has increase to \$15000 for 2018. In

addition to the annual exclusion amounts, you can also give charitable gifts, gifts to a spouse, gifts of educational expenses, and gifts of medical expenses without triggering the gift tax.

#### **Retirement Savings**

One of the best ways to lower your tax bill is to reduce your taxable income. You can contribute up to \$18,000 to your 401k or similar retirement savings plan in 2017 or \$18,500 in 2018. Money contributed to the plan is not included in your taxable income. If you don't have a retirement plan at work, you can invest in an IRA. You can contribute up to \$5,500. Depending on your income, you may be able to deduct some or all of your IRA contribution.

#### **Who Can Help Me?**

The Tax Cuts and Jobs Act legislation was signed into law on December 22, 2017. The Act makes extensive changes that affect both individuals and businesses. With the overall objective of minimizing your taxable income, there are some great tax planning tactics that can help you for 2018.

Take this time to speak to a financial professional along with your tax advisor to help minimize your tax burden in the coming years.

To schedule a complimentary consultation with John Nicolaus, ask a branch representative or visit our website at [myfirstccu.org](http://myfirstccu.org).

\*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members. CFS and its Registered Representatives do not provide tax advice. For such advice, please consult a qualified tax advisor.